

**December 14, 2010** 

The Health Benefits Committee met on Tuesday, December 14, 2010, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:19 a.m. with the following members present:

Priya Mathur, Chair
Tony Oliveira, Vice Chair
Ruth Holton-Hodson representing John Chiang
George Diehr
Greg Beatty representing Debbie Endsley
Rob Feckner
JJ Jelincic
Henry Jones
Tricia Wynne representing Bill Lockyer

### AGENDA ITEM 2 – APPROVAL OF THE NOVEMBER 16, 2010, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The November 16, 2010, Health Benefits Committee meeting minutes were approved as presented.

### AGENDA ITEM 3a - PARTNERSHIP IN HEALTH

As an information item, David Henka and Dr. Joel Hyatt, Kaiser Permanente (KP), presented their Partnership in Health Report. Using data from KP's electronic medical record system, Health Connect, KP employees prepared the annual Partnership in Health Report that describes the CalPERS-KP population and compares health risk and disease burden metrics with overall KP population data and with national data.

#### AGENDA ITEM 3b – QUALITY REPORT

As an information item, Dr. Richard Sun, Office of Health Plan Administration, provided information on two sets of quality measures available to CalPERS members: the Health Plan Member Survey and the Healthcare Effectiveness Data and Information Set (HEDIS®). Staff will continue to monitor the results from these reports, which are made available to CalPERS members to assist in their choice of health plans.

### AGENDA ITEM 3c - WELLNESS AND DISEASE MANAGEMENT

As an information item, Dr. Richard Sun, Office of Health Plan Administration, provided an overview of CalPERS contracted health plans' and staff's recent activities in the areas of wellness and disease management. At the next Committee update, staff will provide status reports for all ongoing wellness and disease management projects.

## AGENDA ITEM 4a – SELF-FUNDED HEALTH PLANS THIRD QUARTER 2010 FINANCIAL REPORT

As an information item, Gary McCollum, Actuarial and Employer Services Branch, provided an update on the financial status of the six CalPERS self-funded Preferred Provider Organization health plans for the third-quarter ending September 30, 2010. The overall financial position of the self-funded health plans remains stable. The ongoing financial results or the program assets are positive, providing assurance that the rates approved by the Board for the 2010 plan year were sufficient to fund benefits and to maintain adequate reserves.

### AGENDA ITEM 5a - LONG-TERM CARE PROGRAM REPORT

As an information item, Tim Skillman, Office of Health Plan Administration, provided an update on the CalPERS Long-Term Care Program. Mr. Skillman discussed the Third-Party Administrator (TPA) and actuarial vendor contracts, the Long-Term Care TPA Request for Proposal, and the Long-Term Care Program product analysis and application period.

### AGENDA ITEM 5b - LONG-TERM CARE PROGRAM 2010 ANNUAL VALUATION REPORT

Tim Skillman, Office of Health Plan Administration, presented the Long-Term Care Program 2010 Annual Valuation Report, as prepared by United Health Actuarial Services, Inc. Their assignment was to develop a projection of future cash flows and evaluate the adequacy of current assets and premium levels based on those cash flows.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board accept the Long-Term Care Program 2010 Valuation Report.

### AGENDA ITEM 6a - PUBLIC AGENCY RECRUITMENT AND RETENTION

As an information item, Reuben Jimenez, Office of Employer and Member Health Services provided an annual update on the status of recruitment and retention efforts of public agencies and schools in the health program. The Committee was last updated in December 2009 regarding marketing and retention strategies and success in growing the program.

### AGENDA ITEM 7 - ASSISTANT EXECUTIVE OFFICER REPORT

Kathleen Billingsley, Assistant Executive Officer, Health Benefits Branch, provided information on the following items: Early Retiree Reinsurance Program; Pharmacy Benefit Manager Request for Proposal; and, the CalPERS Constituent Work Group.

As a point of personal privilege, Ms. Billingsley extended a personal thank you to Doug McKeever and Kim Malm for acting as Interim Assistant Executive Officers before her appointment.

# AGENDA ITEM 8 – PROPOSED AGENDA FOR FEBRUARY 15, 2011, HEALTH BENEFITS COMMITTEE MEETING

The proposed agenda for the February 15, 2011, HBC Meeting, was accepted with the following changes:

- Long-Term Care Program was moved from Open Session to Closed Session
- Public Agency Risk Pool was added to Open Session

### **AGENDA ITEM 9 - PUBLIC COMMENT**

Steve Kawai, Retiree, spoke regarding the CalPERS Long-Term Care Program.

The meeting was adjourned at 11:41 a.m.

The next meeting of the Committee is scheduled for February 15, 2011, in Sacramento, California.

ANN BOYNTON
Deputy Executive Officer
Benefits Administration